



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

**Legislative Analysis**

**Regional Transportation Committee**

Thursday, August 18, 2005

9:30 AM

Commission Chamber

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Commission Auditor

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## LEGISLATIVE ANALYSIS

*RESOLUTION REQUESTING THAT THE CITIZENS' INDEPENDENT TRANSPORTATION TRUST (CITT) EVALUATE, IN CONJUNCTION WITH THE COUNTY MANAGER'S OFFICE, THE FEASIBILITY OF PROVIDING SURTAX FUNDING TO THE CITIES OF MIAMI GARDENS AND DORAL, WHICH WERE IN THE PROCESS OF INCORPORATION AT THE TIME OF THE PASSAGE OF THE SURTAX AND DIRECTING THE COUNTY MANAGER TO PROVIDE THE REGIONAL TRANSPORTATION COMMITTEE (RTC) A FEASIBILITY REPORT WITHIN SIXTY (60) DAYS*

Commissioner Barbara J. Jordan

### I. SUMMARY

This resolution directs the Citizens Independent Transportation Trust (CITT) and the County Manager to provide a report on the feasibility of providing the Cities of Doral and Miami Gardens with proceeds from the Peoples' Transportation Plan (PTP) Surtax through a Municipal Allocation formula.

Commissioner Jordan has asked that this report be provided to the Regional Transportation Committee within sixty (60) days.

### II. PRESENT SITUATION

On November 5, 2002, the residents of Miami-Dade County approved a ½ cent sales tax increase to be used for transit and transportation enhancements and expansion within the County. Initial projections for the revenues derived from this surtax were \$150 million annually. The outline for these improvements was provided for and approved by the Board of County Commissioners, via Ordinance 02-116 known as the Peoples' Transportation Plan.

One component of the PTP was a municipal allocation process.

According to Sec. 29-124 of the codes of Miami-Dade County, 80% of the revenues generated from the surtax shall remain with the County for use on Countywide projects listed in Exhibit 1 of the PTP. The remaining 20% shall be distributed to the municipalities as follows:

Sec. 29-124. Special fund created; uses of surtax proceeds; and role of Citizens' Independent Transportation Trust.

(f) Twenty percent of surtax proceeds shall be distributed annually to those cities existing as of November 5, 2002 that meet the following conditions:

(i) That continue to provide the same level of general fund support for transportation that is in their FY 2001-2002 budget in subsequent Fiscal Years. Any surtax proceeds received shall be applied to supplement, not replace a city's general fund support for transportation;

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(ii) That apply 20% of any surtax proceeds received to transit uses in the nature of circulator buses, bus shelters, bus pullout bays or other transit-related infrastructure. Any city that cannot apply the 20% portion of surtax proceeds it receives as provided in the preceding sentence, may contract with the County for the County to apply such proceeds on a County project that enhances traffic mobility within that city and immediately adjacent areas. If the city cannot expend such proceeds in accordance with either of the preceding sentences, then such proceeds shall carry over and be added to the overall portion of surtax proceeds to be distributed to the cities in the ensuing year and shall be utilized solely for the transit uses enumerated in this subsection (ii); and

(iii) Surtax proceeds distributed amongst the existing cities shall be distributed on a pro rata basis based on the ratio such city's population bears to the total population in all such cities (as adjusted annually in accordance with the Estimates of Population prepared by the Bureau of Economic and Business Research of the University of Florida) annually to those cities that continue to meet the foregoing conditions.

For purposes of the foregoing, whenever an annexation occurs in an existing city, the number of persons residing in such annexed area at the time it is annexed shall be excluded from all calculations. Increases in population in areas annexed over and above the population in such area at the time of annexation which occur after annexation shall be included in subsequent years' calculations.

(g) Newly incorporated municipalities shall have the right to negotiate with the County for a pro rata share of the sales surtax, taking into consideration the neighborhood and municipal projects identified in Exhibit 1, as amended, within the boundaries of the new municipalities. The preceding sentence shall not affect the twenty (20%) percent share provided herein for municipalities existing on November 5, 2002.

At the time the surtax was passed, and the ordinance became effective, there were 32 incorporated municipalities within Miami-Dade County.

Subsequent to the passage of the PTP, the cities of Doral and Miami Gardens were in advanced stages of the municipal incorporation process. Elections were held in both areas in January 2003 that resulted in the creation of the cities of Doral and Miami Gardens.

Currently, as highlighted above, Ordinance 02-116 states that newly incorporated municipalities may negotiate with the County for a share of Surtax funds based on a formula taking into account population and current projects as outlined in Exhibit 1 of the PTP.

### III. POLICY CHANGE AND IMPLICATION

Ordinance 02-116 currently states any negotiations with newly incorporated municipalities *"shall not affect the twenty (20%) percent share provided herein for municipalities existing on November 2, 2002"*.

Any proposal that would place these two cities into the municipal allocation process with the original 32 cities would require an amendment to Ordinance 02-116.

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It is reasonable to assume that there will be resistance from some of the original 32 cities if any dilution of the original municipal allocation process takes place.

### **Control**

One of the main reasons it is attractive for a municipality to receive a share of the PTP Surtax is control. Within certain parameters, established in Ordinance 02-116, each municipality can control what projects the monies will be used for and when.

Although the CITT monitors how municipalities utilize proceeds from the Surtax, each city has certain leeway to spend these monies as they see fit.

Projects in unincorporated areas, listed in Exhibit 1 of the PTP, are controlled by the county.

### **Precedent**

The County must be careful to take into account the precedent established by any new allocation policy. Unless Ordinance 02-116 is amended, any portion allocated to new municipalities will have to come from the County's 80% share.

If incorporation trends follow recent patterns, the County may soon have to negotiate allocations to a number of newly incorporated municipalities. Therefore, the policies established in this case will be used as guidelines in future negotiations.

Including Cutler Ridge, whose residents recently voted in favor of incorporating, there are nine areas in Unincorporated Miami-Dade County in some stages of the incorporation process.

Some of these areas are:

- Biscayne Gardens
- Fisher Island
- Fountainbleau
- Goulds
- North Central Dade
- Northeast Dade
- Plant
- Redland

## **IV. ECONOMIC IMPACT**

**Any allocations made to new municipalities, under the current guidelines, will have a negative effect of the Peoples' Transportation Plan Pro-forma.**

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Current revenue projections estimate approximately \$176.6 million in revenues generated from this surtax for FY '06.

Of these revenues, \$35.3 million shall be distributed among the original 32 municipalities in existence as of November 5, 2002.

### **V. COMMENTS AND QUESTIONS**

The CITT staff assisted in providing municipal allocation projections listed in attachment 1 of this analysis, as well as possible scenarios and fiscal implications associated with the municipal allocation process.

**Attachment 1:** Municipal allocation estimates, for FY '06, under current circumstances.

**Attachment 2:** Municipal allocation estimates, for FY '06, if ordinance 02-116 was amended to include Miami Gardens and Doral in the original 20% municipal allocation pool of cities.

**Attachment 3:** One possible scenario if Doral and Miami Gardens were added to the municipal pool, and the percentage of disbursement to these municipalities was increased to 30%. **(This scenario would only work if the percentage allocated to municipalities remained constant no matter how many incorporations took place)**

## Attachment 1

## Current Municipal Allocation Estimates

## Estimated Municipal Transportation Surtax Funds Distribution

Projected for FY06

Amount\*

\$ 176,602,500

Jurisdiction	Population Apr-04	% Population	20% \$ 35,320,500	20% Transit Share	80% Transportation Share
Aventura	28,207	2.463%	\$869,987	173,997	695,989
Bal Harbour Village	3,409	0.298%	\$105,144	21,029	84,115
Bay Harbor Islands	5,201	0.454%	\$160,414	32,083	128,331
Biscayne Park	3,555	0.310%	\$109,647	21,929	87,717
Coral Gables	44,345	3.872%	\$1,367,730	273,546	1,094,184
El Portal	2,550	0.223%	\$78,649	15,730	62,920
Florida City	8,715	0.761%	\$268,796	53,759	215,037
Golden Beach	997	0.087%	\$30,750	6,150	24,600
Hialeah	233,566	20.396%	\$7,203,862	1,440,772	5,763,089
Hialeah Gardens	20,441	1.785%	\$630,460	126,092	504,368
Homestead	36,501	3.187%	\$1,125,798	225,160	900,638
Key Biscayne	11,160	0.975%	\$344,207	68,841	275,366
Indian Creek Village	33	0.003%	\$1,018	204	814
Medley	1,123	0.098%	\$34,637	6,927	27,709
Miami	379,550	33.143%	\$11,706,437	2,341,287	9,365,150
Miami Beach	91,540	7.994%	\$2,823,363	564,673	2,258,690
Miami Lakes	24,835	2.169%	\$765,984	153,197	612,787
Miami Shores	10,462	0.914%	\$322,679	64,536	258,143
Miami Springs	13,783	1.204%	\$425,108	85,022	340,087
North Bay Village	6,614	0.578%	\$203,995	40,799	163,196
North Miami	60,101	5.248%	\$1,853,691	370,738	1,482,953
North Miami Beach	42,359	3.699%	\$1,306,476	261,295	1,045,181
Opa-Locka	16,116	1.407%	\$497,065	99,413	397,652
Palmetto Bay	24,903	2.175%	\$768,082	153,616	614,465
Pinecrest	19,317	1.687%	\$595,793	119,159	476,634
South Miami	10,891	0.951%	\$335,910	67,182	268,728
Sunny Isles Beach	16,580	1.448%	\$511,376	102,275	409,101
Surfside	5,564	0.486%	\$171,610	34,322	137,288
Sweetwater	14,267	1.246%	\$440,036	88,007	352,029
Virginia Gardens	2,356	0.206%	\$72,666	14,533	58,133
West Miami	6,132	0.535%	\$189,129	37,826	151,303
Total Municipal Participation	1,145,173	100.000%	\$35,320,500	7,064,100	28,256,400
Unincorporated	1,234,645				
Total Miami-Dade	2,379,818				

\* Estimate based on December 2004 Pro-forma.

**Attachment 2**

**Current Municipal Distribution Formula including Cities of Miami Gardens and Doral**

<b>Estimated Municipal Transportation Surtax Funds Distribution</b>					
<b>Projected for FY06</b>		<b>Amount*</b>			
		<b>\$ 176,602,500</b>			
<b>Jurisdiction</b>	<b>Population Apr-04</b>	<b>% Population</b>	<b>20% \$ 35,320,500</b>	<b>20% Transit Share</b>	<b>80% Transportation Share</b>
Aventura	28,207	2.202%	\$777,818	155,564	622,254
Bal Harbour Village	3,409	0.266%	\$94,004	18,801	75,204
Bay Harbor Islands	5,201	0.406%	\$143,419	28,684	114,736
Biscayne Park	3,555	0.278%	\$98,030	19,606	78,424
Coral Gables	44,345	3.462%	\$1,222,829	244,566	978,263
<b>Doral</b>	<b>30,285</b>	<b>2.364%</b>	<b>\$835,120</b>	<b>167,024</b>	<b>668,096</b>
El Portal	2,550	0.199%	\$70,317	14,063	56,254
Florida City	8,715	0.680%	\$240,319	48,064	192,255
Golden Beach	997	0.078%	\$27,493	5,499	21,994
Hialeah	233,566	18.235%	\$6,440,665	1,288,133	5,152,532
Hialeah Gardens	20,441	1.596%	\$563,668	112,734	450,934
Homestead	36,501	2.850%	\$1,006,528	201,306	805,222
Key Biscayne	11,160	0.871%	\$307,741	61,548	246,193
Indian Creek Village	33	0.003%	\$910	182	728
Medley	1,123	0.088%	\$30,967	6,193	24,774
Miami	379,550	29.632%	\$10,466,226	2,093,245	8,372,981
Miami Beach	91,540	7.147%	\$2,524,248	504,850	2,019,398
<b>Miami Gardens</b>	<b>105,414</b>	<b>8.230%</b>	<b>\$2,906,828</b>	<b>581,366</b>	<b>2,325,463</b>
Miami Lakes	24,835	1.939%	\$684,834	136,967	547,867
Miami Shores	10,462	0.817%	\$288,493	57,699	230,795
Miami Springs	13,783	1.076%	\$380,071	76,014	304,057
North Bay Village	6,614	0.516%	\$182,383	36,477	145,907
North Miami	60,101	4.692%	\$1,657,306	331,461	1,325,845
North Miami Beach	42,359	3.307%	\$1,168,064	233,613	934,452
Opa-Locka	16,116	1.258%	\$444,404	88,881	355,524
Palmetto Bay	24,903	1.944%	\$686,709	137,342	549,367
Pinecrest	19,317	1.508%	\$532,673	106,535	426,139
South Miami	10,891	0.850%	\$300,323	60,065	240,259
Sunny Isles Beach	16,580	1.294%	\$457,199	91,440	365,760
Surfside	5,564	0.434%	\$153,429	30,686	122,743
Sweetwater	14,267	1.114%	\$393,418	78,684	314,734
Virginia Gardens	2,356	0.184%	\$64,968	12,994	51,974
West Miami	6,132	0.479%	\$169,092	33,818	135,274
<b>Total Municipal Participation</b>	<b>1,280,872</b>	<b>100.000%</b>	<b>\$35,320,500</b>	<b>7,064,100</b>	<b>28,256,400</b>
Unincorporated	1,098,946				
<b>Total Miami-Dade</b>	<b>2,379,818</b>				

\* Estimate based on December 2004 Pro-forma.

## Attachment 3

30%

## Municipal Distribution Formula including Cities of Miami Gardens and Doral

## Estimated Municipal Transportation Surtax Funds Distribution

Projected for FY06

Amount\*

\$ 176,602,500

Jurisdiction	Population Apr-04	% Population	30% \$ 52,980,750	20% Transit Share	80% Transportation Share
Aventura	28,207	2.202%	\$1,166,727	233,345	933,382
Bal Harbour Village	3,409	0.266%	\$141,007	28,201	112,805
Bay Harbor Islands	5,201	0.406%	\$215,129	43,026	172,103
Biscayne Park	3,555	0.278%	\$147,046	29,409	117,636
Coral Gables	44,345	3.462%	\$1,834,244	366,849	1,467,395
<b>Doral</b>	<b>30,285</b>	<b>2.364%</b>	<b>\$1,252,679</b>	<b>250,536</b>	<b>1,002,144</b>
El Portal	2,550	0.199%	\$105,476	21,095	84,381
Florida City	8,715	0.680%	\$360,479	72,096	288,383
Golden Beach	997	0.078%	\$41,239	8,248	32,991
Hialeah	233,566	18.235%	\$9,660,998	1,932,200	7,728,798
Hialeah Gardens	20,441	1.596%	\$845,502	169,100	676,401
Homestead	36,501	2.850%	\$1,509,792	301,958	1,207,834
Key Biscayne	11,160	0.871%	\$461,611	92,322	369,289
Indian Creek Village	33	0.003%	\$1,365	273	1,092
Medley	1,123	0.088%	\$46,451	9,290	37,161
Miami	379,550	29.632%	\$15,699,339	3,139,868	12,559,471
Miami Beach	91,540	7.147%	\$3,786,372	757,274	3,029,098
<b>Miami Gardens</b>	<b>105,414</b>	<b>8.230%</b>	<b>\$4,360,243</b>	<b>872,049</b>	<b>3,488,194</b>
Miami Lakes	24,835	1.939%	\$1,027,251	205,450	821,801
Miami Shores	10,462	0.817%	\$432,740	86,548	346,192
Miami Springs	13,783	1.076%	\$570,107	114,021	456,085
North Bay Village	6,614	0.516%	\$273,575	54,715	218,860
North Miami	60,101	4.692%	\$2,485,960	497,192	1,988,768
North Miami Beach	42,359	3.307%	\$1,752,097	350,419	1,401,677
Opa-Locka	16,116	1.258%	\$666,607	133,321	533,285
Palmetto Bay	24,903	1.944%	\$1,030,064	206,013	824,051
Pinecrest	19,317	1.508%	\$799,010	159,802	639,208
South Miami	10,891	0.850%	\$450,485	90,097	360,388
Sunny Isles Beach	16,580	1.294%	\$685,799	137,160	548,639
Surfside	5,564	0.434%	\$230,144	46,029	184,115
Sweetwater	14,267	1.114%	\$590,126	118,025	472,101
Virginia Gardens	2,356	0.184%	\$97,451	19,490	77,961
West Miami	6,132	0.479%	\$253,638	50,728	202,910
Total Municipal Participation	1,280,872	100.000%	\$52,980,750	10,596,150	42,384,600
Unincorporated	1,098,946				
Total Miami-Dade	2,379,818				

\* Estimate based on December 2004 Pro-forma.